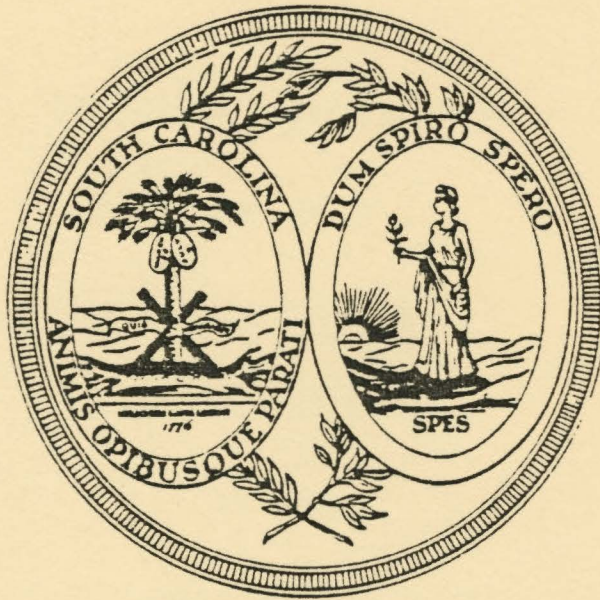


A3An255
8. M57-2

South Carolina General Assembly



Legislative Audit Council



South Carolina General Assembly
Legislative Audit Council
Review of Compliance with the
Comprehensive Statewide
Motor Vehicle Management Program
April 3, 1979

THE STATE OF SOUTH CAROLINA

GENERAL ASSEMBLY

LEGISLATIVE AUDIT COUNCIL

REVIEW OF COMPLIANCE

WITH THE

COMPREHENSIVE STATEWIDE

MOTOR VEHICLE MANAGEMENT PROGRAM

(SECTION 24, PART II, PERMANENT PROVISIONS,

1978-79 APPROPRIATION ACT)

TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTION.....	1
REPORT SUMMARY.....	3
REVIEW OF COMPLIANCE WITH THE LAW.....	5
APPENDIX I.....	24

INTRODUCTION

Section 24, Part II - Permanent Provisions of the South Carolina Appropriation Act of 1978-1979 created within the Budget and Control Board a Division of Motor Vehicle Management and the Motor Vehicle Management Council and required the establishment of a comprehensive Fleet Management Program. The Act requires the Legislative Audit Council to "...audit compliance by the Division of Motor Vehicle Management and the agencies with this section and publish its findings no later than April 1, 1979 and again by April 1, 1980." In keeping with this legislation the Audit Council has examined the progress made in implementing this law. Planning, promulgation of policy and implementation is the responsibility of the Division of Motor Vehicle Management, the Motor Vehicle Management Council, and the State Budget and Control Board. Therefore, the focus of this audit is on these three groups. Agency compliance in most areas is contingent upon establishment of regulations and management systems which are, in many cases, still in the planning stages. However, the Council did examine those areas where agencies have responsibilities and regulations have been promulgated.

In conducting this review the Audit Council attended and reviewed the minutes of the State Budget and Control Board and Motor Vehicle Management Council meetings. Extensive interviews were held with officials and staff of the Division of Motor Vehicle Management, the State Auditor's Office and the State Budget and Control Board. In addition, all files and records of the Division of Motor Vehicle Management were reviewed and analyzed.

The following report consists of a report summary and a detailed discussion of the implementation and compliance with the Act. Each provision of the law is discussed and all actions taken to comply with the law are reviewed.

REPORT SUMMARY

On March 30, 1978 the Legislative Audit Council issued a report entitled Program and Operational Review of the Acquisition, Use and Management of South Carolina State-Owned Motor Vehicles. The Council identified major problems in all areas of management and operation of the State's motor vehicle fleet. The inadequate and wasteful practices found cost the State an estimated \$2.5 to \$3 million per year.

Many of the problems listed in the report were addressed by the General Assembly which in 1978 passed Section 24 of Act 644 (South Carolina Appropriation Act - Part II - Permanent Provisions). This legislation places more controls in the areas of motor vehicle management including assignment and use, acquisition and disposal, motor pools, maintenance, cost accounting and reporting, and vehicle identification.

The Audit Council reviewed the progress made in implementing this Act and in achieving its stated goals and objectives. Progress has been made in planning and implementing policies and procedures which should correct major deficiencies in the current system. The items which have been accomplished in the implementation of the law include:

- Motor Vehicle Management Council members have been selected.
- A fleet manager has been appointed.
- Vehicle assignment and use criteria has been established and adopted.
- The General Service Motor Pool has been transferred to the Division of Motor Vehicle Management.
- A consultant study to develop a cost effective system of motor pools and maintenance facilities has been approved.

- Development of a statewide uniform cost accounting and reporting system has begun.

The Council found two areas of the law in which the Budget and Control Board had difficulty implementing. They were vehicle assignment and vehicle identification. The development of equitable vehicle assignment criteria took many months to complete and criteria was not adopted until March 27, 1979. In addition, some agency vehicles have been exempted from using State Government license plates although the need for these exemptions have not been adequately documented and justified. Also many State agencies are not marking their vehicles with State Seals and/or agency decals as required by the law. These areas are discussed in detail on pages 8 and 9.

Overall, the Council has determined that during the past eight months the efforts to remedy the problems confronting the State's Motor Vehicle Management Program have been productive. Although many of the actual managerial systems, procedures and policies have yet to be enforced on a statewide basis there exists a potential for rapid and favorable change in the present system.

Adherence to the law must be mandated if the State is to benefit from the planning and programming which has already taken place. As the objectives of the Act are carried out significant savings of tax dollars will be realized and conservation of precious energy resources will be accomplished.

REVIEW OF COMPLIANCE WITH THE LAW

Introduction and Background

The 1978-1979 Appropriation Act, Section 24, Part II of the permanent provisions, created within the Budget and Control Board a Division of Motor Vehicle Management and the Motor Vehicle Management Council and mandated that a "comprehensive statewide motor vehicle management program" be implemented. This program is designed to address the "acquisition, assignment, identification, replacement, disposal, maintenance and operation of motor vehicles." The task of the Board is to promulgate rules, regulations, policies and procedures to achieve the following objectives:

- (1) achieve maximum cost-effective management of motor vehicles in keeping with the objectives of State agencies;
- (2) eliminate unauthorized and unofficial use of State vehicles;
- (3) minimize individual assignment of State vehicles;
- (4) eliminate use of personally owned vehicles when this practice is more costly than use of State vehicles; and
- (5) acquire optimum energy efficient vehicle for the tasks to be performed.

Under the law the Division of Motor Vehicle Management (DMVM) is headed by the "State Fleet Manager" who is appointed by and reports to the Board. DMVM is to control the motor pool formerly operated by the Division of General Services and to develop and implement a uniform cost accounting and reporting system to determine the cost per mile of "each motor vehicle used by the State."

Section 24 also provides that DMVM receive and possess title to all State vehicles pending their sale or disposal. The only exceptions from this practice are school buses and service vehicles of the Department of Education and all vehicles operated by the Department of Highways and Public Transportation.

The Motor Vehicle Management Council (MVMC) consists of three members of the private sector with expertise in the field of motor vehicle management. Council members are appointed for terms of four years by the Budget and Control Board with the advice and consent of the Senate except that of those first appointed one is to serve for four years, one for three years and one for a full term. Current Council members are:

- L. Joseph Wolfe, Fleet Manager for South Carolina Electric and Gas - 2 year term.
- James H. Drake, Maintenance Supervisor for Riegel Textile Corporation - 3 year term.
- E. Graves Jones, Fleet Manager for Milliken and Company - 4 year term.

The MVMC is assigned specific duties by law which are:

- (1) To recommend to the Budget and Control Board qualified candidates for the post of State Fleet Manager.
- (2) To supervise the daily operations of the Division of Motor Vehicle Management.
- (3) To study and make recommendations to the Budget and Control Board concerning the development of a comprehensive State Fleet Management Program and methods to achieve the Act's objectives.
- (4) To act as a hearing board for all "disputes, complaints and any other grievances lodged against the promulgation,

implementation and enforcement of regulations pursuant to...
[Section 24]."

In addition to having the overall responsibility for achieving the law's objectives the Board too has specific tasks. These include:

- (1) Establishing administrative penalties for violation of procedures relating to the Fleet Management Program.
- (2) Establishing criteria for individual assignment of motor vehicles. This criteria is to be based solely on the functional requirements of the individual's job in situations clearly cost beneficial to the State. Only the Governor and statewide elective State officials are exempt from this requirement.
- (3) Designing a standard log form to log all trips of permanently assigned automobiles.
- (4) Developing a system of agency-managed and interagency motor pools that are cost beneficial to the State.
- (5) Studying the cost effectiveness of State maintenance facilities versus commercial facilities and developing a cost effective plan for vehicle maintenance. The results of this study will then be formulated into a State Maintenance Program to include:
 - (a) central purchasing of supplies and parts;
 - (b) an effective inventory control system;
 - (c) a uniform work order and record-keeping system assigning actual maintenance cost to each vehicle; and
 - (d) preventive maintenance programs for all types of vehicles.
- (6) Purchasing, acquiring, transferring, replacing and disposing of all State-owned vehicles. These processes are to be carried out based on maximum cost effectiveness and lowest anticipated life cycle costs.

- (7) Ensuring that State-owned motor vehicles are identified by State Government license plates, State Seal decals or agency decals.

The following is an examination of compliance with Paragraphs (F) through (M) of the law (Section 24, Part II, 1978-79 Appropriation Act).

Individual Assignment of Vehicles

The Act (Paragraph F) states that the Budget and Control Board shall establish criteria for individual assignment of motor vehicles. These criteria are to be "based solely on the functional requirements of the job (emphasis added)" as opposed to previous criteria which were based mainly on a person's position or prestige. Only the Governor and other statewide elected officials are to be assigned vehicles on the basis of office.

On March 27, 1979 the Budget and Control Board approved vehicle assignment and use criteria which comply with the intent of the Act. This new criteria are based on recommendations made by the Motor Vehicle Management Council (MVMC). These recommendations use as a standard the number of actual official miles driven. The following are the criteria adopted by the Board:

- (1) To justify a permanent assignment to an individual, a State vehicle must be driven 14,000 official miles per year.
- (2) All employees using State cars will maintain a log to be sent to DMVM.
- (3) For eligible employees who drive over 2,000 official miles per month a Class III (Impala) will be made available.
- (4) For eligible employees who drive over 1,600 official miles per month a Class IV (Diplomat) will be made available.

- (5) For eligible employees who drive less than 1,600 miles per month and for the general motor pool, Class V (Concord) will be made available.
- (6) Agencies authorized to operate pools can buy up to 10% Class IV for longer trips.
- (7) The DMVM, upon approval by the State Budget and Control Board, may fill agency requests from the approved listing for vehicles required for the proper administrative functioning of a certain agency; these vehicles may not meet the mileage criteria, but will be subject to all other criteria.
- (8) Persons assigned cars shall pay commuting charge.

The above does not pertain to full-time law enforcement officers whose sole task is protection of life and property.

Detailed trip logs will be required for all State vehicles. These logs will reflect both total official mileage, commuting and other unofficial mileage. Personal use of the vehicle except for authorized commuting is prohibited. Each employee will be charged for all unofficial mileage at the same rate that the State reimburses its employees for the use of their privately owned vehicle when on official business. Currently this charge is 16¢ per mile. This practice along with the minimizing of permanently assigned vehicles should significantly reduce the potential for abuse of State-owned motor vehicles.

Identification of Vehicles

Paragraph (K) states that the Board shall ensure that all State-owned motor vehicles are identified through the use of "permanent State Government license plates, State Seal decals or agency decals" and that only the State Budget and Control Board may exempt a vehicle from these requirements.

During November 1978 to March 1979 the Board received 357 requests to exempt vehicles from using State Government license plates. Three hundred eleven (311) of these requests were approved (see Table 1). The Legislative Audit Council examined the exemptions approved by the Board and determined that many of the non-State Government license tags approved did not appear to meet the criteria as stated in Section 24. This is the result of an apparent lack of in-depth analysis of the actual usage of the vehicles in question as presented by the agencies applying for non-State Government tags. It is also apparent that in some cases the criteria for approval are not being carefully considered.

In addition to the exemptions from using State Government license plates many agencies have not complied with the requirements of identifying their vehicles with State Seals and/or agency decals. A recent DMVM survey revealed that several State agencies have not complied with this section of the Act and that many State vehicles are without agency seals and identification strips.

Paragraph (K) of Section 24 states that all State vehicles must be identified through use of permanent State license tags, State seal decals or agency decals. Exemptions from vehicles carrying State Government license tags can only be made by the Board for law enforcement officers after consulting with the Chief of the State Law Enforcement Division (SLED). The law is very specific on what grounds these exemptions can be granted.

...vehicles supplied to law enforcement officers when, in the opinion of the Board after consulting with the Chief of the State Law Enforcement Division, those officers are actually involved in undercover law enforcement work to the extent that the actual investigation of criminal cases or the investigators' physical well-being would be jeopardized if they were identified. The Board is authorized to exempt

vehicles carrying human service agency clients in those instances in which the privacy of the client would clearly and necessarily be impaired.
[Emphasis Added]

According to DMVM records SLED has not disapproved a written agency request for exemption from motor vehicle identification requirements. SLED has not provided personnel to investigate each request thoroughly and the Chief of SLED does not feel this should be a high priority item for the Division's investigators. This makes it difficult for the Board to adequately respond to this section of the law. Proper State vehicle identification should adhere to the law and include agency seals and identification strips and State Government license plates.

The Audit Council has examined Board minutes and agency justifications regarding authorization of non-State Government license tags. This examination showed that no request was accompanied by documentation which showed the actual tasks performed by the individuals involved, the number of actual criminal investigations performed or substantial proof that these investigations would be jeopardized if identifiable vehicles were used. The following are examples of justifications for vehicles which have been approved but do not appear to meet the criteria in Paragraph (K) of the Act.

Agency	Number of Vehicles Approved	Agency Justification
ABC Commission	34	<p>"This request is made...because of this agency's mission which is to license all establishments in this State which request our permits and licenses to sell alcoholic liquors, beer and wine. These cars are to be used in the investigating of locations and applicants for these licenses. Also included in this mission is the responsibility for enforcing all laws and regulations which apply to both licensed and unlicensed locations."</p> <p><u>Auditor's Comment:</u> Included on the approved vehicles are non-state government tags for three commissioners and one executive director.</p>
Department of Corrections	7	<p>"After careful screening we are requesting non-state license tags for these vehicles based on the mandatory responsibility of those to whom these vehicles are assigned for the operations of the Department which includes but is not limited to investigations, escape apprehensions and any other emergency situations confronting this agency."</p> <p><u>Auditor's Comment:</u> Assignment of these vehicles include one commissioner and three deputy commissioners. The department does not mention the amount of time these predominantly managerial and administrative officials devote to actual criminal investigations.</p>
Aeronautics Commission	1	<p>"The Aeronautics Commission in conjunction with the enforcement and investigation of aviation rules and regulations also provides substantial support to Federal, State and local law enforcement agencies. The continued use of non-identifiable vehicles is necessary to provide for discrete transportation and surveillance of capabilities for commission and law enforcement personnel while performing confidential State duties. Non-identifiable vehicles are also used while coordinating and supporting presidential and other VIP visits requiring commission services.</p> <p><u>Auditor's Comment:</u> The vehicle approved for non-state government tags is assigned to the agency director. Also the commission does not provide information on the amount of time it is required to use an unmarked vehicle in the investigation of criminal acts. No information is furnished on the number of criminal investigations performed by the commission.</p>

Agency	Number of Vehicles Approved	Agency Justification
Department of Highways and Public Transportation/Highway Patrol	16	<p>"This request is made since all of these Captains and Majors have a legitimate reason for displaying these regular license tags the same as the Departments' Investigator since they too as commanding officers of our seven Highway Patrol Districts and our Weight Unit, in carrying out their responsibilities and duties require of them investigations of many varied situations and observe the operation of the Highway Patrol District in general which would often time defeat our purpose for a better operation where we could be identified by displaying a SG plate."</p> <p><u>Auditor's Comment:</u> The main duty of these officers is administration and supervision. The Department does not mention the amount of time these officers devote to actual criminal investigations or if their lives would be in danger should they be identified.</p>
Department of Wildlife and Marine Resources	42	<p>"This Department's law enforcement clandestine operation to date has largely been successful as a number of cases have been made since the program was instituted. However, the undercover program has largely only discouraged some of the amateur fish sellers, venison marketeers and other small commercial violators. The more experience illegal operators have only become more cautious in their unlawful endeavors. As a result a larger more specially trained undercover operation is needed to combat the more experienced and financially backed illegal operators."</p> <p><u>Auditor's Comment:</u> According to the "covert operations" plan, unmarked vehicles will be provided to "supervisory" personnel. The Department does not mention the amount of time these personnel will devote to actual investigations.</p>
General Services Division/Office of State Fire Marshall	1	<p>"Mr. (Name Excluded) had a non-SG license last year to aid him in his explosives inspections over the State."</p> <p><u>Auditor's Comment:</u> The justification does not mention if any criminal investigations are conducted, the frequency of such investigations or if the "investigator's" life would be endangered if he were identified.</p>

TABLE 1
BUDGET AND CONTROL BOARD APPROVALS
FOR NON-SG LICENSE TAGS

<u>Agency</u>	<u>Number of Exemptions Requested</u>	<u>Number Approved</u>	<u>Number Disapproved</u>
1. ABC Commission	34	34	0
2. Aeronautics Commission	3	1	2
3. Attorney General	3	3	0
4. Department of Corrections	10	7	3
5. Employment Security Commission	5	0	5
6. General Services, Division/Office of the State Fire Marshal	1	1	0
7. Department of Health and Environmental Control	15	15	0
8. Department of Highways and Public Transportation	16	16	0
9. Juvenile Placement and Aftercare	8	0	8
10. State Law Enforce- ment Division	164	164*	0
11. Board of Medical Examiners	2	0	2
12. Department of Mental Health	5	5	0
13. Probation, Parole and Pardon Board	3	3	0
14. Public Service Authority	1	1	0
15. Department of Social Services	9	9	0
16. State Budget and Con- trol Board/Division of Local Government	1	0	1
17. Tax Commission	31	7	24
18. University of South Carolina	1	1	0
19. Wildlife and Marine Resources Department	42	42	0
20. Department of Youth Services	3	2	1
	—	—	—
TOTALS	357	311	46

*These vehicles were approved by the Chief of SLED in consultation with the Executive Director of the Budget and Control Board as authorized by the Board.

Although fewer vehicles are being exempted than last year, there are still many approved requests which appear to be unjustified. It is impossible to effectively evaluate these requests unless detailed information is provided which clearly demonstrates a need based on the criteria as specified in Section 24. In addition there are many agency vehicles which do not display State Seal and/or agency decals although they are required by law to do so. As the March 30, 1978 Audit Council report on motor vehicles states:

Under the current system accountability is reduced because agency administrators and other personnel are able to use unmarked vehicles at their own discretion and are shielded from public scrutiny. Misuse of these vehicles is almost impossible to detect and such misuse results in public funds being wasted.

Motor Pools

Paragraph (G) states that the Board shall develop a system of agency and interagency motor pools that are cost beneficial to the State. Vehicles are to be placed in motor pools rather than being individually assigned except as authorized by the Board using the criteria established in Paragraph (F). The motor pool operated by the Division of General Services is to be transferred to DMVM and all motor pool vehicles are to utilize trip log forms. These provisions do not apply to school buses and service vehicles.

The MVMC has recommended that the Fleet Manager, aided by an outside consultant, study all motor pools and maintenance facilities and report their findings within six months. The Board has approved this recommendation and a \$10,000 consultant fee has been appropriated. A contract for this study has been awarded to Carter, Gobel, & Roberts Inc.

to begin April 1, 1979. This study is scheduled to be completed on June 30, 1979. In addition, DMVM has begun to operate the motor pool formerly managed by the Division of General Services. This pool contains approximately 330 vehicles, the majority of which are permanently leased to various agencies. Presently, 15 of these vehicles are available for interagency dispatch. The 1978 Audit Council report on motor vehicles found that only six vehicles were then available for dispatch. The 1978 Council report also found that those six vehicles were usually reserved one month in advance. DMVM officials report that current vehicles are reserved one week in advance and that they soon hope to have vehicles available on a daily basis. DMVM also has designed a trip log form to be used in motor pool vehicles and agency assigned vehicles.

Maintenance Facilities

Paragraph (H) addresses the maintenance of State vehicles. The Board, in consultation with agencies which operate maintenance facilities, is directed to study the cost effectiveness of these facilities in comparison to commercial alternatives and develop and implement a State vehicle maintenance program. This program is to include central purchasing, an inventory control system, a work order and record-keeping system which assigns actual maintenance cost to each vehicle, and a preventive maintenance program. Paragraph (H) also states that all fuels will be purchased from State facilities except in cases where such purchase is impossible or not cost beneficial to the State and all fuels, lubricants, parts and maintenance costs are to be charged to a State credit card.

The MVMC has recommended that the study of maintenance facilities be included in the study for motor pools by the consultant. The

Board concurred with this recommendation and it is currently being implemented.

Although there are approximately 85 fueling facilities located throughout the State, many State agencies still use commercial fueling facilities. For example, Audit Council examination of DMVM motor pool financial reports for the period of January 1978 to January 1979 shows that of the 436,776.5 gallons of fuel purchased for the 330 motor pool vehicles by agencies, 95,565.8 gallons or 21.8% was purchased at commercial facilities. In a few cases use of commercial fuel may be justified due to emergencies or the distance of the vehicle from a State fueling facility. However, the price difference in State gasoline (an average of 47.6 cents a gallon) compared to commercial gasoline (an average of 63.7 cents a gallon) is too great to allow the purchase of commercial gasoline unless it's clearly cost beneficial to the State.

DMVM is currently considering charging agencies who use motor pool vehicles the difference between the price of commercial fuel and State fuel unless the agency can verify that the purchase of commercial fuel was necessitated by an emergency or that it was cost beneficial to the State. Also, DMVM has designed a new State credit card. The credit cards will not be used, however, until the uniform cost accounting and reporting system (Paragraph I) is fully developed and implemented.

Uniform Cost Accounting and Reporting System

Paragraph (I) charges DMVM with developing and implementing a uniform cost accounting and reporting system to ascertain the cost per mile of each State-owned vehicle. Also, beginning no later than July 1, 1979 all purchases except unavoidable emergencies shall be paid for by

State credit card and billed directly to DMVM. The Division would then present a monthly bill to the appropriate agencies. DMVM is authorized to permit any agency to develop a comparable cost accounting system and pay its bills directly; however, the Division is directed to audit these systems on a regular basis.

DMVM officials along with other State experts have recently visited and conferred with the Florida Bureau of Motor Vehicles and Water Craft. Florida has developed what many consider to be a "model" vehicle management information system. This system generates several reports including vehicle cost per mile, utilization and maintenance analysis. In addition, the system issues information concerning vehicles with no trip logs submitted, excessive idle or down time, and vehicles overdue for preventive maintenance.

DMVM staff is currently consulting with the State Auditor's Office and Division of General Services in order to adapt Florida's system for use in South Carolina. However, it appears that the July 1, 1979 deadline stipulated in the law cannot realistically be met. The Computer Systems Management Division of the State Auditor's Office estimates it will be July 1, 1980 before this management system can be fully designed and implemented.

The MVMC has also recommended that the Board, the State Auditor's Office and appropriate agency and legislative bodies set up a committee to establish a "time table for the transfer of vehicle responsibility to DMVM along with a procedure to make the necessary funds available to DMVM, including cost of operation of necessary computer programs." The Board has agreed with this concept although no formal action has been taken.

Although DMVM has begun planning of the uniform cost accounting and reporting system, the Board has not considered the funding for the functions set up under Paragraph (I) as recommended by the MVMC. Under the law DMVM is charged with paying all motor vehicle supply and maintenance purchases. At present, DMVM has not been budgeted sufficient funds to pay for these purchases nor have these funds been transferred from existing agency budgets.

Purchasing, Ownership and Disposal of Vehicles

Paragraph (J) specifies that the Board "shall purchase, acquire, transfer, replace and dispose of all vehicles on the basis of maximum cost effectiveness and lowest anticipated total life cycle costs." Also all State vehicles will be titled to the State and DMVM will receive and possess such titles. Titles to school buses and service vehicles of the Department of Education and vehicles operated by the Department of Highways and Public Transportation are exempt from the title requirement.

The MVMC has recommended that the Board give DMVM the authority to carry out the duties specified in Paragraph (J). The Board has followed the recommendation and has delegated this power to DMVM. In order to carry out this task, DMVM will need the cost data generated by the proposed cost accounting and reporting system. However, DMVM has already begun a system which "tracks" vehicle purchase and replacement requests so that agencies do not place several orders for one vehicle as has occurred in the past.

DMVM is also considering a plan for requesting and receiving titles for all vehicles specified under this section. However, the Board has

recommended that the law be amended to exempt the State Law Enforcement Division and the Department of Wildlife and Marine Resources from the title requirement.

Appropriations for Supplies and Equipment

Paragraph (M) provides that all agency funds appropriated for motor vehicle supplies and equipment are frozen and can only be released by the Board. In order not to disrupt the operation of the State's motor vehicles, the Board in November 1978 delegated the authority to the Director of DMVM to approve the release of funds for the day-to-day operations and for the purchase of motor vehicle supplies and maintenance equipment. This allows the State's motor vehicle fleet to continue its daily operations while a comprehensive Fleet Management Program is being developed.

Conclusion

The Audit Council has determined that, with few exceptions, progress has been made in complying with both the duties and objectives specified in Section 24, Part II of the 1978-79 Appropriation Act. The Motor Vehicle Management Council was selected and has made specific recommendations which have been adopted by the Budget and Control Board. These include the selection of a fleet manager, and establishment of assignment and use criteria. DMVM has begun operation of the State Motor Pool and development of a uniform cost accounting and reporting system has begun. The Board has commissioned a study of a system of motor pools and maintenance facilities and has acted favorably on the majority of the MVMC's recommendations concerning assignment and use, purchase, disposal and control of title of State vehicles.

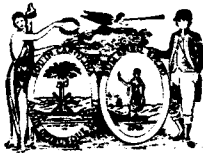
These actions by the Board, MVMC, and DMVM have yet to be fully implemented. They are simply the beginning of an ongoing task which will take much time and effort to achieve. The problems associated with motor vehicle management in South Carolina still exist. However, the provisions of Section 24 and their implementation to date establish the basis for an effective and efficient Fleet Management Program. If the objectives of the law and a comprehensive Fleet Management Program are going to be achieved, these provisions will have to be strictly adhered to and enforced.

RECOMMENDATIONS

THE STATE BUDGET AND CONTROL BOARD SHOULD REQUIRE DETAILED DOCUMENTATION AND JUSTIFICATION TO ACCOMPANY ALL REQUESTS FOR NON-STATE GOVERNMENT LICENSE TAGS INCLUDING THE AMOUNT OF TIME A VEHICLE IS DIRECTLY INVOLVED IN UNDER-COVER LAW ENFORCEMENT WORK WHERE "THE ACTUAL INVESTIGATION OF CRIMINAL CASES OR THE INVESTIGATORS' WELL-BEING WOULD BE JEOPARDIZED, IF THEY WERE IDENTIFIED." NO REQUEST SHOULD BE APPROVED WITHOUT SUCH DOCUMENTATION AND WHICH DOES NOT MEET THE CRITERIA SPECIFIED IN THE LAW. THE BOARD SHOULD INDIVIDUALLY REEVALUATE ALL PREVIOUSLY APPROVED EXEMPTIONS BASED ON THIS CRITERIA.

PARAGRAPH (K) OF SECTION 24 SHOULD BE
AMENDED TO AUTHORIZE APPROVAL OF THE USE
OF NON-STATE GOVERNMENT LICENSE TAGS BY
THE BOARD AFTER CONSULTATION WITH THE
STATE FLEET MANAGER WITH THE EXCEPTION OF
SLED VEHICLES WHICH SHOULD BE APPROVED BY
THE BOARD AFTER CONSULTING WITH THE CHIEF
OF SLED.

APPENDIX



STATE OF SOUTH CAROLINA
BUDGET AND CONTROL BOARD
DIVISION OF MOTOR VEHICLE MANAGEMENT
P. O. BOX 633
COLUMBIA, S.C. 29202

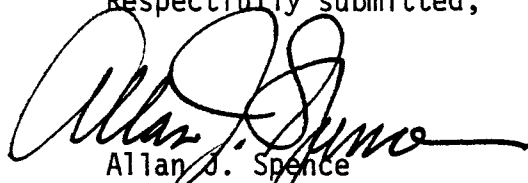
ALLAN J. SPENCE
DIRECTOR
PHONE: (803) 758-7816

March 29, 1979

COMMENTS ON AUDIT REPORT

The comments/recommendations contained herein are an accurate assessment of the progress made towards full implementation of the Motor Vehicle Management Act. I am particularly impressed with the professional competence of the Auditors of Record and the audit process in general.

Respectfully submitted,


Allan J. Spence
Fleet Manager